

## **REMARKS**

### **Telephone Interview Summary**

On June 11, 2008 Applicant's representative participated in a telephone interview with Supervisory Patent Examiner Zeender and Patent Examiner Haider to discuss the present application. Applicant's representative appreciated the opportunity to discuss the present application with the Examiners. Applicant's representative submitted a proposed response in advance of the interview.

Applicant's representative explained that the proposed claim amendments were intended to indicate more clearly that container allocation is controlled by the manufacturer and that the manufacturer is responsible for releasing the containers to suppliers. The Examiner's indicated the proposed claim amendments were helpful but further expressed concern regarding Para. 0012 of Kawamura which teaches maintaining a returnable container inventory balance. Applicant's representative explained that container balance of Kawamura is based on a threshold value that a computerized system attempts to maintain and that containers are returned when the value falls below the balance or threshold rather than in response to a parts demand value.

The Okamura reference was also discussed. Applicant explained that Okamura reference teaches a "period of use" which represents a period of time that the containers will be in the supplier's possession or otherwise in the supplier's control. Applicant explained further explained that suppliers in Okamura request containers and determine the number of days they will be in use. The period of time they are in use has no relationship to a manufacturer's production schedule or to a parts demand value

that relates to a supplier's production schedule. In Okamura, because the supplier has control over the number of containers ordered and the time of use, suppliers can keep unused containers at their facilities for extended periods of time. Applicant explained that Okamura's teachings indicate suppliers have control over container levels and therefore, do not add to the teachings of Kawamura.

No agreement regarding the claims was reached during the telephone interview.

### **Claim Rejections under 35 USC § 103**

The Examiner has rejected claims 1- 8, and 10-14 under 35 USC § 103(a) as being unpatentable over Kawamura (2002/0069141), Beal (6,634,506), Okamura (2002/161,878), and Peachey-Kountz (6,463,345).

Applicant has amended the claims to indicate more clearly that a manufacturer determines a container allocation quantity for suppliers, determines a parts demand value, allocates containers to suppliers based on the container allocated days and parts demand value, and releases containers to suppliers. Applicant has further amended the claims to indicate that the allocation quantity for each supplier varies according to the parts demand value. In view of Applicant's amended claims, Applicant respectfully traverses the rejections.

The Examiner relies on the combination of Kawamura and Beal to teach every aspect of the claimed invention except for a container allocated days number, a parts demand value, and a process flow of containers. The Examiner relies on Okamura to teach these aspects of the claimed invention. The Examiner further states it would be

obvious to modify Kawamura and Beal with Okamura to allow physical distribution of containers to be managed at a management center.

Okamura teaches a returnable container management system that uses IC cards and a computer system to manage the distribution of returnable containers between a producer, wholesaler/warehouse, and retailer. Okamura teaches a “period of use” which represents a period of time that the containers will be in the supplier’s possession or otherwise in the supplier’s control. Applicant respectfully submits that a “period of use” and other data tracked by Okamura is not a “container allocation quantity” as determined by a manufacturer. In Okamura, a supplier (producer) actually place orders for returnable containers. Para. 42 teaches:

First, when a producer inputs order information with the terminal 2 to **place an order** for returnable containers 10 to the management center 20 through the internet 1 (step S1), the management center 20 accepts the order for returnable containers by checking the client, quantity, the type of the returnable containers and scheduled date of distribution based on the order and by determining the order number, distribution center (returnable container delivery center), and so on (step S2). (Emphasis Added)

It is the producer/supplier, therefore, that determines how long it plans to use a container. There is simply no need in Okamura to determine a “container allocated days” value that relates to a manufacturer’s production schedule and that represents the amount of time a container is in use from production at the supplier’s facility to consumption at the manufacturer’s facility. Producers in Okamura are permitted to place orders for containers on their own terms and conditions and therefore, a container allocation quantity is irrelevant to Okamura. A process flow is also irrelevant because each supplier decides how many containers to order and how long to hold them. Okamura fails to teach important aspects of the present invention and therefore, cannot be combined with other references to reject the pending claims.

Even if Okamura taught “container allocation days” and a process flow, it could not be combined with Kawamura to teach the present invention. Kawamura teaches returning containers when a container inventory drops below a “pre-determined value.” (Para. 00012). If an inventory drops below a certain level, a merchandiser (i.e., a manufacturer) is asked to return containers to a manufacturer (i.e., a supplier). The number of days containers are use is irrelevant in the teachings of Kawamura because Kawamura uses a “desired level” to determine when containers should be returned. Okamura’s “period of use” therefore, adds nothing to Kawamura.

Applicant has amended the claims to indicate more clearly that the container allocation quantity of the claimed invention varies for each supplier according to each supplier’s parts demand value. The ability to vary the container allocation quantity according to the parts demand value, which is further tied to the manufacturer’s production schedule, allows the containers to be managed more efficiently than in prior art systems. Containers are allocated according to the parts that the manufacturer will be receiving from each supplier to complete a production schedule. Applicant respectfully submits the claims as amended distinguish the invention over the combined references and in particular, Kawamura.

Kawamura teaches a fixed threshold container level that is set for each supplier. A balance check is performed when supplies are requested. The balance check, however, is only in reference to the container level. It is triggered by, but not tied to, the product request. A separate product level inventory check is performed when each product request is sent. Kawamura teaches **two** distinct inventories and balance checks: one for products [para. 0036] and one for containers [para. 0037]. A request

for products triggers each inventory check but there is no indication that the inventories are synchronized in any way. The goal is only to return both the product inventory level and the container inventory level to “a desired level.” In particular, para. 0037 states that “[w]hen company A of the merchandiser 10 receives the dunnage-returning notice, Company A sends back the dunnages to Company C of the manufacturer 30 so that **the inventory of the dunnages at the Company C of the manufacturer 30 is at a desired level ....**” (Emphasis added).

What is not clear in Kawamura is how a desired level of containers is determined. Kawamura is silent as to how a container level for each supplier should be determined. There is no indication that it is tied to a product inventory level, a product request, parts demand, etc. It is only a fixed threshold value. Because Kawamura uses a threshold value to return containers to suppliers, containers may be delivered to suppliers and remain with them for substantial periods of time if no additional products from the suppliers are ordered. In other words, they may remain unused. Maintaining unused container inventories at fixed levels for each supplier is contrary to the claimed invention which allocates containers according to the needs of a manufacturer that consumes the parts according to a production schedule. Applicant respectfully submits that the teachings of Okamura fail to compensate for the deficiencies of Kawamura because in Okamura, suppliers simply order containers as needed. As with Kawamura, suppliers in Okamura can conceivably maintain inventories of unused containers for unspecified periods of time. Kawamura and Okamura cannot support rejection of the claims as amended.

## **Conclusion**

Applicant respectfully submits that the Kawamura reference, alone or combined with Okamura, cannot support rejection of the claims as amended. Applicant respectfully submits the present application is in condition for allowance.

Respectfully submitted,

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